



# DIRECTORS' REPORT

# DIRECTORS' REPORT

## Dear respected Shareholders,

It is my great pleasure to welcome you all on behalf of the Board of Directors to the 24<sup>th</sup> Annual General Meeting of Asia Insurance Limited and to present before you the Directors' Report along with the audited financial statements as on 31st December 2023 for your kind consideration. I put on record my thanks and gratitude to you for your presence on this big shareholders' day. It is worthwhile to place before you the financial position of the bank on the backdrop of global economic scenario the changes that taken place around the world and how Bangladesh experienced the same and various functional and administrative aspects during the year 2023 including Bangladesh economy.

## Global Economic Outlook

The following report provides a comprehensive overview of the world's economic performance in 2023. It analyzes key economic indicators and regional trends to present a holistic understanding of the global economy. This report aims to assist stakeholders in making informed decisions by highlighting emerging trends and challenges faced by the insurance industry.

Global growth has slowed to the extent that the global economy is perilously close to falling into recession defined as a contraction in annual global per capita income only three years after emerging from the pandemic-induced recession of 2020. Very high inflation has triggered unexpectedly rapid and synchronous monetary policy tightening around the world to contain it, including across major advanced economies. Although this tightening has been necessary for price stability, it has contributed to a significant worsening of global financial conditions,

Global inflation has been pushed higher by demand pressures, including those from the lagged effects of earlier policy support, and supply shocks, including disruptions to both global supply chains and the availability of key commodities. In some countries, inflation has also been spurred by large currency depreciations relative to the U.S. dollar, as well as tight labor market conditions. Inflation remains high worldwide and well above central bank targets in almost all inflation targeting economies.

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies-where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025- will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now-at 3.1 percent is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025.

**(Source world Economic Outlook, April: 2024)**

## Bangladesh Economic Review

The year was one of the most challenging ones in the recent history of Bangladesh economy, as it exhibited its difficulties on various fronts. Supply disruptions and the spike in the prices of fuels and others commodities in the global market caused by global events pushed up costs worldwide, leading to high inflationary pressure. Additionally, the country is now faced with multiple challenges such as a fragile banking sector, financial account deficit, volatility in the exchange rate, and depleting foreign exchange reserves. Due to these challenges, the macroeconomic stability that Bangladesh enjoyed for a long time due to high growth, recently low inflation rate and strong external sector has been weakened.

The 'Bangladesh Economic Review' is a regular annual publication of the government. The Review is published during the budget session along with other budget documents. The Review contains the overall macroeconomic scenario of the country and the up to date progress in socio-economic sectors. While global economy was recovering strongly from the COVID-19 pandemic, the war in Ukraine posed a setback to the ongoing recovery.

However, recent COVID-19 outbreaks & Ukraine-Russia war have created a significant Foreign Exchange Reserve (FER) crisis in many countries worldwide. Especially developing countries faced a sharp economic downturn, leading to recession and contraction in economic activities, business closures and unemployment. Foreign Exchange Reserve (FER) are lifeline for developing countries, Emerging nations often face increased volatility in their economics, including fluctuations in currency exchange rates, balance of payments deficits. Bangladesh' trade deficit in the first

seven months of the 2023-24 fiscal year from July 2023 to June 2024 narrowed by 65.45 percent to 4.63 billion US Dollars, showed the latest data of the Bangladesh Bank.

Importers in Bangladesh need to open letters of credit with one of the country's 61 scheduled Banks to buy foreign goods & services. It is essentially a financial contract issued by an importers bank that guarantees payment to the seller in dollars, In case a buyer doesn't pay up, the bank has to take on the liabilities. But there is a severe shortage of greenbacks in Bangladesh due to its dwindling foreign reserve and a sharp drop in the value of its taka currency against dollar in the past six months.

The Insurance industry in Bangladesh is grappling with a major crisis as a shortage of US dollar has made it difficult for local insurers to make premium payments to foreign reinsurers. Fearing a worst-case scenario, insurers are warning that if they are unable to remit the premium eventually, the overseas reinsurer, who share and handle risks that are too large for local insurance firms may decline to continue risk coverage potentially cancelling existing contracts.

As a result, shortage of US dollar has made it difficult to increase of Import based marine insurance business shrank to a large extent as the opening of the letters of credit (LCs) kept dwindling due to the dollar crisis stemming from the Russia –Ukraine war. LC opening dropped 26 per-cent years on-year in FY-23, according to the Bangladesh Bank data. In fact, Imports of anything's not so necessary have been curtailed since March last year. The marine insurance business fell substantially in the last six quarters.

## Introduction

Bangladesh continues to make significant strides in its economic growth and development. The year 2023 witnessed notable achievements and challenges for the country's economy. The, Bangladesh Economic Review' report analyzes key economic indicators, sectoral performance, investment climate, and emerging trends in Bangladesh. Economic Performance of Bangladesh in 2023: Bangladesh's economy has been recovering from the economic damages caused by the impact of COVID-19 and the ongoing Russia-Ukraine crisis, however, the crisis driven recent slowdown in the global economy has been affecting the country economic growth. Bangladesh's GDP growth in the pre-COVID-19 period was 7.88 percent in FY-2018-19. During the COVID-19 this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 present in 2021-22. According to the provisional estimates of Bureau of Statistics (BBS), the GDP growth rate stood at 6.30 percent in current FY 2022-2023 and the per capita national income stood at US\$ 2,765.

While economic recovery efforts have been strong in response to the impact of COVID-19 there has been a mismatch between global demand and supply due

to supply chain disruptions. As a result, since the beginning of 2021, an increase in the price of all types of commodities including energy has been witnessed in the world market and it has been accelerated due to the ongoing Russia –Ukraine war. As a cascading effect of the spiral of world prices, an upward trend of the price level is observed in Bangladesh. The average inflation rate for the FY 2021-22 was 6.15 percent up 0.59 percentage point from the FY 2020-21. The average inflation rate in the first ten months of the current fiscal year (July to April-2023) is 8.85 percent which was 5.88 percent in the same period of the previous fiscal year,

Export: Exports increased by 8.07% to US\$ 41,721.62 million during July – March FY 2022-23 compared to the same period of previous fiscal years. As per BB monthly economic trades for 2023, in Nov-2023 lower export receipts are recorded compared to that of Nov-2022. Export receipts in Nov-2023 amounted to US\$ 4,784.81 million which is lower than the amount in Nov-2022 by US\$ 307.75 million (6.04%). However, during July-2023 exports increased by US\$ 286.21 million (1.30%) compared to the same period of the last year.

Imports: Import payments in Oct-2023 amounted to US\$ 5,344.7 million which is lower than the amount in Oct-2022 by US\$ 1067.4 million (16.65%). Moreover, during July-2023 import payments decreased by US\$ 6,526.7 million (23.85%) compared to the same period of the last year. The negative growth of import might be the outcome of a number of initiatives taken by the government as well as the central bank. The deficit of trade balance narrowed and stood at US\$ 13,828 million in FY 2022-23 (July-Feb.) which was US\$ 22,431 million in FY 2021-22 (July-Feb.). During the time, current account balance deficit decreased to US\$ 4,387 million.

## Key Economic Indicators

- GDP Growth:** Bangladesh's economy witnessed a robust growth rate, driven by strong domestic demand, export growth, and continued investment in infrastructure development.
- Inflation:** The country maintained moderate inflation levels, thanks to prudent monetary policy measures implemented by the central bank.
- Foreign Reserves:** Bangladesh's foreign exchange reserves increased to 25,365.20 USD Million in April from 25,231.70 USD Million in March of 2024. Foreign exchange reserves in Bangladesh averaged 24910.17 USD Million from 2008 until 2024, reaching an all time high of 48060.00 USD Million in August of 2021 and a record low of 7490.90 USD Million in June of 2008.
- Remittances:** Remittance inflows remained strong, contributing significantly to the country's foreign exchange reserves and supporting household consumption.

## SECTORAL ANALYSIS

### 01. Agriculture

Agriculture continued to play a vital role in Bangladesh's economy, employing a significant portion of the population and contributing to food security. The government's continued focus on modernizing agricultural practices, improving irrigation, and providing access to credit and technology helped boost productivity and output.

### 02. Manufacturing and Industry

Bangladesh's manufacturing and industrial sector witnessed steady growth, with the ready-made garments (RMG) industry remaining a key driver of export earnings. The government's initiatives to diversify the industrial base, attract foreign direct investment (FDI), and enhance infrastructure created a favorable environment for industrial growth.

### 03. Services

The services sector including banking and non-banking, telecommunications, and tourism, showed resilience and contributed significantly to the economy. The expansion of digital services and the government's focus on fostering a digital economy contributed to the growth of the services sector.

### 04. Investment Climate

Bangladesh continued to improve its investment climate in 2023, attracting both domestic and foreign investors. The government implemented various reforms to simplify business procedures, enhance ease of doing business, and provide incentives for investment in priority sectors such as infrastructure, energy, and manufacturing. The country's stable macroeconomic environment, skilled labor force, and strategic geographic location positioned it as an attractive investment destination.

### Emerging Trends and Challenges

**a. Sustainable Development Goals (SDGs):** Bangladesh made significant progress in achieving the SDGs, with continued efforts to promote sustainable development, reduce poverty, and address social and environmental challenges.

**b. Climate Change Resilience:** As a low-lying delta country, Bangladesh faces significant risks from climate change and natural disasters. The government and various stakeholders are actively working on climate change adaptation and mitigation strategies to build resilience.

**Conclusion:** Bangladesh's economy demonstrated resilience and promising growth in 2023. The country's focus on key sectors such as agriculture, manufacturing, and services, coupled with ongoing reforms to improve the investment climate, provides opportunities for various industries, including the insurance sector. As Bangladesh continues on its growth trajectory, it is crucial for insurers to align their strategies with emerging trends, adapt to changing market dynamics, and contribute to the country's sustainable development goals.

### Macro-economic growth

According to the provisional estimates of BBS, per capita GDP and per capita national income stood at US\$ 2,657 and 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar has declined slightly in FY 2022-23 due to the appreciation of US dollar. However, The per capita national income in terms of Taka increased by about 30 thousand and stood at Tk.270,414. The Medium-Term Macroeconomic Framework (MTMF) forecasted the GDP growth to pick up to 8.00% in FY 2025-2026. The IMF projected that our GDP growth would be 6.00%, while the World Bank estimated it would be 5.6% in FY 2024.

According to provisional estimate of BBS, The consumption increased to 78.44 percent of GDP in FY 2021- 22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY 2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

### Inflation:

While economic recovery efforts have been strong in response to the impact of COVID-19 pandemic, there has been a mismatch between global demand and supply due to supply chain issues. As a result, an increase in the prices of all types of products, including energy has been observed in the world market and it has accelerated due to the ongoing Russia-Ukraine war. As a result, like other countries of the world, the upward trend of the price level is being observed in Bangladesh.

The average inflation rate in FY 2021-22 stood 6.15%, which is 0.59% higher than in FY 2020-21. Of this, food inflation is 6.05% and non food inflation is 6.31%. As per BB Monthly economic trends for December 2023. The rate of inflation measured by consumer price index (12-month average) risen up to 9.42% in Nov-2023 while it was 7.48% in Nov-2022.

Furthermore, the rate on inflation (point to point basis) setting up 2021-22 ascended to 9.49% in Nov-2023 from 8.85% in Nov-2022. The monthly average inflation was 9.02% as of June- 2023. In October 2023, there were significant increases in booth food & non food inflation rates at 12.56% and 8.3%, respectively and the overall inflation stood at 9.93%. The consistent rise of inflation rates has substantially increased the cost of living, resulting in a reduction of consumer purchasing power.

### Workers Remittance

As per BB Monthly economic trends for December 2023 workers' remittances trends for December 2023, workers' remittances received from the Bangladeshi nationals working abroad decreased by US\$ 41.39 million (2.10%) in Nov-2023 from US\$ 1,971.43 million in October 2023, workers' remittances in Nov-2023 is recorded US\$ 1930.04 million. During July-2023 workers remittance increased by US\$ 14.86 million (0.17%) compared to that of the same period of the last year. Besides, total receipts of remittance increased by 2.37% to US\$ 17,718.55 million during July–April of FY 2022-23 against the decrease of 16.24% during July–April of FY 2021-22.

### Foreign Reserves

As per BB monthly economic trends for December 2023 foreign exchange foreign exchange reserves (represent as total international reserves) held by the Bangladesh Banks stands at US\$ 24,894.6 million at the end of Nov-23 while it was US\$ 31,203.0 million at the end of June-2023. Thus Foreign exchange reserves decreased by US\$ 6,308.4 million (20.22%) at the end of Nov-23 compared to the reserves hold at the end of Jun-2023. Compared with the reserves hold at the same period of last year, the current reserves decreased by US\$ 8891.7 million (26.32%) at the end Nov-2023.

### Foreign Direct Investment (FDI) Inflows

Foreign Direct Investment (FDI) inflows during April-June -2023 increased by US\$ 138.23 million (22.06) from US\$ 626.47 million during Jan-March- 2023 FDI inflows stood at US\$ 764.70 million. Foreign Direct Investment (FDI) inflows during FY-2022-23 decreased by US\$ 244.47 million (7.11%) from US\$ 3,439.63 million during FY 2021-22. The FDI inflows during FY 2022-23 was 3195.16 million.

### BD Economy Future Outlook

Bangladesh has a strong track record of growth and development, even in times of elevated global uncertainty. A robust demographic dividend, strong ready-made garment (RMG) exports, resilient remittance inflows, and stable macroeconomic conditions have supported rapid economic growth over the past two decades.

Bangladesh tells a remarkable story of poverty reduction and development. From being one of the poorest nations at birth in 1971, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) list in 2026. Poverty declined from 41.9 percent in 1991 to 13.5 percent in 2016, based on the international poverty line of \$2.15 a day (using 2017 Purchasing Power Parity exchange rate). Moreover, human development outcomes improved along many dimensions.

### Human Developing Index (HDI)

In the recently publish Human Development Report, 2022/2023 by UNDP, Bangladesh ranked 129<sup>th</sup> out of 191 countries. In the previous HDI report of 2020, Bangladesh ranked 133<sup>rd</sup> out of 189 countries, Bangladesh moved four notches up in the 2022-2023. In FY 2022-23, about 23.88% of the total budget has been allocated for the sectors related to human resource development such as education and technology, health and family welfare, women and children, social welfare, youth and sports development, culture, labour and employment. It is worth mentioning that according to household income and Expenditure Survey (HIES) 2016, poverty rate declined to 24.3% in 2016, which was 40.0% in 2005. The recently publish HIES-2023, showed a decline in the poverty rate to 18.7% in 2022. The extreme poverty rate decreased from 12.9% in 2016 to 5.6% in 2022.

Looking into 2024, our policymakers will have to work toward addressing the immediate issues such as controlling inflation, increasing revenue collection, stabilizing exchange rate and improving foreign exchange reserves, Establishment of economic good governance is also critical, In addition, to meet the challenges of the Fourth Industrial Revolution, technical education to be given utmost importance with a view to develop skilled manpower.

### Challenges

Bangladesh made a rapid recovery from the COVID-19 pandemic supported by prudent macroeconomic policies. But, the economy now faces considerable challenges with global economic uncertainty, rising inflationary pressure, energy shortages, a balance-of-payments deficit, and a revenue shortfall. Rising commodity prices and a surge in imports in the second half of FY22 resulted in Balance of Payments (BoP) deficit and accelerating inflation.

Real GDP growth is expected to slow in FY23 as import suppression measures disrupt economic activity. Growth is expected to accelerate over the medium term, as inflationary pressure eases, external conditions improve, and reform implementation gains momentum. Over the medium term, the balance of payments is projected to return to surplus as import growth moderates and remittance inflows rise with a high outflow of workers to the gulf region.

To achieve its vision of attaining upper middle-income status by 2031, Bangladesh needs to create jobs through a competitive business environment, increase human capital and build a skilled labor force, build efficient infrastructure, and establish a policy environment that attracts private investment.

Development priorities include diversifying exports beyond the RMG sector; deepening the financial sector; making urbanization more sustainable and strengthening public institutions, including fiscal reforms to generate more domestic revenue for development. Addressing infrastructure gaps would accelerate growth. Addressing vulnerability to climate change and natural disasters will help Bangladesh to continue to build resilience to future shocks. As most of the mega projects will be completed in the next couple of years, it is expected Bangladesh's economy is will qualifies for LDC graduation soon.

### Capital Market:

Capital market acts as a bridge of long term financing for the industrial development of a country through the sale and purchase of shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the GDP of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates the stock exchanges of the country.

The capital market showed a bearish trend during the year 2023. The main indices of Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) exhibited a marginal increase compared to those of end December-2022. Capital of Bangladesh is still highly speculative and lacks transparency due to poor regulatory framework.

### Capital market consists of two types i.e. Primary and Secondary.

- Primary Market. Primary market is the market for new shares or securities.
- Secondary Market. Secondary market deals with the exchange of prevailing or previously-issued securities among investors.

### Insurance Industry Outlook

Risk is one of its most challenging and constant aspects of the human experience. By providing financial backing in case of unexpected events, insurance attempts to reduce the impact of risk on our health, belongings, and businesses. The insurance industry is not only central to the creation of a stable business environment but also

critical for the reduction of the financial burden on the government during natural and economic crises. The investment of insurance premiums into other financial assets also helps generate growth in the country.

Insurance companies were nationalized after the liberation of Bangladesh under the presidential order no. 95 i.e. Bangladesh Insurance (Nationalization) Order 1972. This order was implemented through creation of five corporations i.e. the Jatiya Bima Corporation, Tista Bima Corporation, Karnafuli Bima Corporation, Rupsa Jiban Bima Corporation, and Surma Jiban Bima Corporation and later on these five corporations merged into two corporations called Sadharan Bima Corporation- to conduct general insurance business and Jiban Bima Corporation- to conduct life insurance business. Insurance Sector privatization took place in 1984 under the Insurance Corporation Ordinance 1984.

This sector is far behind to achieve the national target considering the size of the economy because of numerous reasons out of which absence of good corporate governance and inadequate policy support are remarkable . To sell the insurance products, regulatory bindings and patronization is required being people are reluctant to buy an insurance policy unless it is extremely necessary. However, autonomous regulator called IDRA (Insurance Development and Regulatory Authority) was formed in 2010 with the prime object to overall development of insurance Sector through addressing the short comings and to accept the challenges.

At present, 78 insurance companies are operating in Bangladesh out of which 46 are engaged in non-life insurance activities and 32 are in life insurance activities. Further, 43 non-life and 15 life insurance companies are listed in the capital market.

### Following problems in Non-Life Insurance Sector are visible:

- Lack of good corporate governance;
- Unhealthy competitions;
- Insufficient insurance products;
- Lack of research and innovations;
- Shortage of skilled manpower and insurance professionals;
- Inadequate regulatory supervision;
- Excessive dependency on agent;
- High agency commission;
- Absence of countrywide awareness building program;
- Mistrust of the customers.

## Regulatory Reforms

Insurance Development and Regulatory Authority (IDRA) is the sole entity to regulate the insurance business in Bangladesh. It was formed in 2010 under the Insurance Development and Regulatory Authority Act 2010. The supreme governing act for insurance companies of Bangladesh is the Insurance Act 2010. Any entity conducting insurance business in Bangladesh must follow this act and which has empowered IDRA to promulgate subsequent regulations whenever required. As per Insurance Act 2010 followings mandatory requirements are the steps towards the reformation process:

- Minimum paid up capital requirement for non-life insurance companies is BDT 400 million, of which 60% would be provided by the sponsor rest would be open for public subscription;
- All the local insurance entities must be enlisted in capital market through IPO to accumulate rest amount of paid-up capital within the three years from the incorporation. Two years may be extended with the prior permission of authority;
- Non-life insurance companies to invest in Bangladesh Government Treasury Bond (BGTB) minimum BDT 25 million;
- Ceiling of commission offering to the clients regarding premium payment
- Mutual Insurance companies are not allowed to conduct non-life insurance business.
- An Insurance Company cannot conduct both life and non-life insurance business.
- Highest agency commission is 15% of the Gross Premium of own business Restriction to enter in Public Sector business (PSB)
- 50% of PSB is equally divided among the private non-life companies by Sadharan Bima Corporation;

To overcome the problems of General Insurance Sector, IDRA took a number of initiatives in recent past. To stop undue and undisclosed expenses, IDRA promulgated a circular in 2nd July 2019 that includes number of instructions such as-

- Non-life insurance companies can operate maximum three bank accounts in three banks for premium collection. Extra bank accounts being closed within 31st July 2019 by keeping three bank accounts open;
- For preserving capital 1 bank account and for depositing other income 1 bank account being opened;
- For settling claim 1 bank account and for management expense another bank account being opened;

- Expenses more than ten thousand must be made through using non-negotiable cheques;
- All the instructions being implemented as before 12th August 2019.

Bangladesh Insurance Association organized a meeting among the chairman, CEOs of Non-life and IDRA where everyone agreed upon keeping agency commission within the prescribed regulatory limit of 15%.

Prior to this, on January 19, IDRA launched Uniform Messaging Platform (UMP) as a part of digitalization and modernization. Through UMP insurance customers will receive the premium information and payment confirmation- introduce e-Money Receipt instead of manual Money Receipt under the supervision of IDRA. Previously, this information gap sourced myriad objection regarding claim from the policy holders.

According to data of BIA, the total premium of private sector life insurance companies increased Tk.106,165.86 million in 2022 from Tk. 96,289.49 million in 2021 growth as 10.26%.The total premium of private sector non-life insurance companies increased Tk.41,626.46 million in 2022 from Tk. 37,848.89 million in 2021 growth as 9.98%. The total premium of private sector life & non-life insurance companies increased Tk.147,792.32 million in 2022 from Tk. 134,138.38 million in 2021 as growth of 10.18%.

The total investment made by the private sector Life & Non life insurance companies decreased to Tk. 386,941.89 million in 2022 from Tk. 387,225.27 million in 2021 indexing an negative growth of (0.07%).The total assets of the private sector Life & Non life insurance companies is attributed to Tk. 539,173.45 million in 2022 as against Tk. 534,523.37 million in 2021 registering an increase of 0.87%.

## Prospects

Bangladesh observed the 'Insurance Day' on March 1, 2021 highlighting the role of insurance sector in the economy. The Honorable Prime Minister Sheikh Hasina was the chief guest in an event held on the occasion. It was also decided that Insurance Day will be observed on March 1 every year.

Despite various challenges, Bangladesh's insurance sector has tremendous potential for growth, especially given the country's favorable macroeconomic picture. Regulatory reforms and the introduction of bank assurance, health, expatriate, agriculture, education, coastal and public pension insurance products along with deep distribution channels can catalyze growth in the insurance sector. Regulations that focus on reducing the risk of insolvency can help build trust in the market at a global level, which in turn will increase the flow of funds into the economy.

With adequate capital requirements in place, insurance companies will serve as a safeguard for investments in infrastructure bonds, thereby boosting infrastructure development. Strong regulations can also help strengthen the reinsurance market, which will ease the financial burden on the government arising from catastrophic events, thus directly contributing towards development opportunities for the country.

Further, well-defined regulations can drive competition, enabling companies to provide the best solutions and offer more options to customers. Regulatory frameworks, ideally framed with reference to international standards and principles, will go a long way towards creating a resilient insurance sector. A resilient insurance sector can, in turn, have far-reaching economic, commercial and social benefits for Bangladesh. Thriving against odds, it could also, in the long run, encourage entrepreneurship and innovation while facilitating risk transfer.

### An Overview of Asia Insurance Limited

Asia Insurance Limited (AIL) is one of the leading non-life insurance Company in Bangladesh and was incorporated as Public Limited Company on 30 April 2000 under the Company Act, 1994 and obtained registration from the former Chief Controller of Insurance, Government of Bangladesh on 30 May 2000. Asia Insurance obtains renewal license from the Insurance Development & Regulatory Authority (IDRA) in 2011. It was listed with Dhaka and Chittagong Stock Exchange on 25 June 2009. The Company carries its insurance activities through Head Office along with 22 (twenty two) Branches under online support all over the country.

Asia Insurance Limited has an Authorized Capital of Tk.1000 million and Paid up Capital of Tk. 470.70 million. Share of the Company are traded in both Dhaka and Chittagong Stock Exchange as 'A' category.

Asia Insurance Limited achieved **AA+** (Pronounced as double A Plus) credit rating valid up to 10 June, 2024 as rated by the Alpha Credit Rating Limited which indicated good financial performance and sound solvency position of the Company having a strong financial backup with high claim paying ability.

Asia Insurance Limited is focused on providing professional services of the highest quality to its clientele which include many reputed large national and multinational conglomerates. Over the 24 (twenty four) years, Asia Insurance Limited has established its track record as a sound and dependable insurer, consistently able to meet its commitments and by providing insurance solution to the individual needs of its clients.

The Board of Directors of Asia Insurance Limited is exceptionally qualified and well reputed business leader of the country. Mr.Yussuf Abdullah Harun, FCA was the Member of the parliament and former president of the FBCCI is leading the Company as Chairman of the Board of Directors.

The qualified and experienced management team is headed by Mr. Md. Imam Shaheen, who has long 34 years of versatile working experience and well reputation in the Insurance industry. Md. Imam Shaheen was the Secretary General of Bangladesh insurance Forum (only MD's organization) & Association of Insurance Executives. At present, He is the 1<sup>st</sup> Vice president of Bangladesh insurance Forum & Association of Insurance Executives. He was the civil sponsor, Defence Services Command and Staff College, Mirpur Cantonment, Dhaka. Md. Imam Shaheen has been playing active role as the EC Mamber of Bangladesh Insurance Association for the last 4<sup>th</sup> term consecutively. He was also EC Mamber of Bangladesh Association of Publicly Listed Companies (BAPLC) for the two term 2020-2021 & 2022-2023. Mr. Md. Imam Shaheen has been plying significant role as member of the CRC (Central Rating Committee), IDRA and PSB (Public Sector Business) Committee, Shadharan Bima Corporation.

Financial performance of the Company has been consistently positive, delivering both underwriting and investment income and by giving attractive returns to its shareholders from inception. The Company is maintaining strong corporate culture, corporate governance, ethical standards, corporate social responsibilities, superior underwriting skills and abilities and dynamic investment management.

Within the framework of existing tariff, this Company charges the most economic and competitive premium rates ensuring maximum security at minimum cost. The Company has got necessary Re-insurance arrangement both at home and abroad under which it can underwrite any risk of any value.

This Company takes utmost care in handling and settling claims with due promptitude with a view to giving timely indemnity to the members of the clientele.

The future prospect of Asia Insurance Limited is not only to increase business volume but also to upgrade the ranking and service quality of the Company. Asia Insurance emphasize on internal and external training in different subject area for the human resource development of the Company.



## Operating Result

During the year 2023 under report, All's gross premium income was Taka 744.32 million as against Taka 793.46 million in 2022 and decrease of (6.19%), Net Premium income attained was Taka 398.04 million as against Taka 432.99 million in 2022 leaving an decrease compared to (8.07%) in 2022. Apart from general slow growth in non-life insurance Company, Asia Insurance Limited achieved a modest growth in gross premium income account. Net profit (before tax) was decreased to Taka 136.10 million in 2023 compared to Taka 137.12 million in 2022 which is a negative growth of (0.74%).

## Income Analysis

### Income from revenue accounts

The Company has accumulated and transferred to comprehensive Income Account by Taka 105.15 million in 2023 from five revenue accounts i.e. Fire, Marine, Marine Hull, Motor & Miscellaneous Revenue Accounts compared to Taka 142.81 million in 2022 which is decrease of (26.37)% from the previous year. A comparative position on income received from revenue accounts in the year 2023 and 2022 is given below:

Figure in Million Taka

Class of business	2023	2022	Growth%
Fire Revenue Account	(99.95)	(86.45)	(15.61)
Marine Revenue Account	188.11	185.11	1.62
Marine Hull Revenue Account	(1.59)	0.57	(178.95)
Motor Revenue Account	16.71	24.25	(30)
Miscellaneous Revenue Account	1.87	19.32	(90.32)
<b>Total</b>	<b>105.15</b>	<b>142.81</b>	<b>(26.37)</b>

### Income from Interest, Dividend & Rent A/C

Interest, Dividend & Rent Income was Taka 68.01 million in 2023 compared to Taka 75.35 million in 2022 which is a negative growth of (9.74%). Income from other sources was Taka 2.81 million in 2022 compared to Taka 2.18 million in 2022.

### Income from Investment in Shares & Securities

Throughout the year, the country observed the capital market as unsupported, fade and confidence less of the investors irrespective of corporate and individual. Asia Insurance Limited had an investment outstanding of 2023 Taka 531.17 million in Quoted Shares of which market value is Taka 530.77 million of 2022. Necessary provision for denomination of value in share has been provided by Taka 77.50 million as on date of report.

## Capital Expenditure

During the year under review, the total capital expenditure on acquisition of fixed assets was Taka 7.12 million.

## Capital Requirement

According to Insurance Act 2010, Asia Insurance Limited is complaint in maintaining of minimum required capital. As on date of report, the paid up capital of Company has stood at Taka 470.70 million as against required capital of Taka 400 million.

## Dividend Declaration

In the year under review as per the instruction of the Board of Directors, the management of the Company is following a policy regarding dividend payments to the shareholders in a manner that shall be in line with and in consistent to the actual income as well as the practices of the insurance industry. The Board of Directors in its 159<sup>th</sup> meeting held on 29<sup>th</sup> April 2024 has recommended cash dividend @11.00% for the year 2023,

## Interim Dividend

The Board stated that no Bonus share or Stock dividend has been or shall be declared as interim dividend and there was no effect of the company's financial position for the year-2023.

## Loans or Advances to the Directors

Asia Insurance Limited has not made any loans or advances any balances (including guarantee or security in connection with loan) to any other Directors of the company under the head of Current Account with refer to the Commission notification Vide No. BSEC/CMMRRCD/2006-159/Amin./02-10 Dated: 10 September, 2006.

## Disclosure on remuneration of the Directors

The Directors including Independent Directors, all being Non-Executive Director, are given only Meeting Attendance Fee of BDT. 8,000 (Bangladeshi Taka Eight Thousand Only) per Meeting of the Board and Committees, During the year 2023, an amount of Taka 6,14,400/- was given to the Directors of Asia Insurance Limited as Director's remuneration including Independent Director;

## Protection of Minority Shareholders

This is to certify that minority shareholders have been protected from abusive action by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

# DIRECTORS' REPORT

## Evaluation of the Quarterly Performance

### Significant variance in operating results between Quarterly and Annually

As a public listed company, Asia Insurance Limited has been complies with the requirement set by the Bangladesh Securities and Exchange Commission (BSEC) regulations and also follows the guidelines outlined in International Accounting Standard (IAS-34; "Interim Financial Reporting" when preparing its quarterly financial statements.

Asia Insurance Limited prepared for the 1<sup>st</sup> Quarter (Q-1), half year (Q-2) and 3<sup>rd</sup> Quarter (Q-3) Accounts & submitted the Audit Committee of the Board conducts

a review of the Quarterly result before their publication and subsequently submits them to the Board of Directors meeting for approval. Once approved by the Board of Directors, the Quarterly financial statements are forwarded to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) for submission. Subsequently the approved statements are published in both Bangla and English daily newspaper's & online news portal. Additionally, the report can be accessed on the Company's official website at [www.asiainsurancebd.com](http://www.asiainsurancebd.com).

The operating results for the 4 quarter of the year 2023 are given below:

Figure in Million Taka

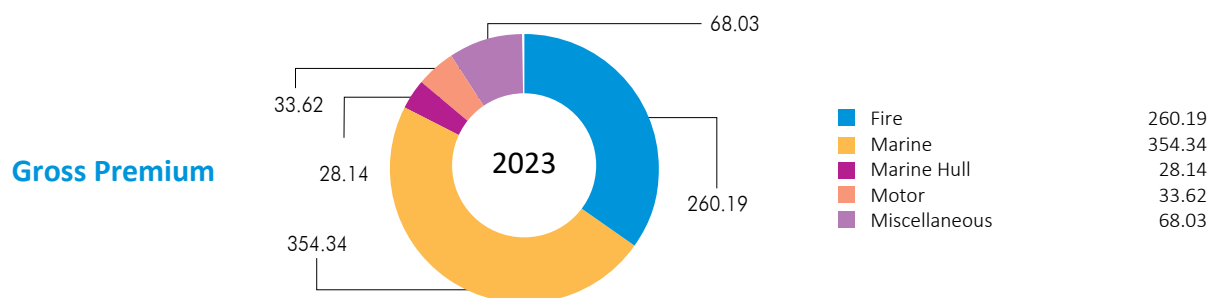
Particulars	2023				Total
	Q-1	Q-2	Q-3	Q-4	
Balance of Fund	40,54	47,37	43,96	43,95	175,85
Premium Income	60,29	173,55	80,23	83,97	398,04
Commission on Re-Insurance Ceded	15,17	9,80	12,38	12,49	49,84
Interest, Dividend & Others Income	9,97	12,10	31,52	17,24	70,83
Total Income	125,98	242,83	168,09	157,67	694,56
Net Claim Paid	18,91	14,80	(10,98)	82,55	105,27
Agent Commission	16,97	18,54	32,82	25,81	94,15
Management Expenses (allocable)	46,06	35,23	36,91	38,75	156,96
Management Expenses (un-allocable)	2,00	4,04	(0,28)	5,95	11,71
Others Expenses/Provision	13,33	19,88	(17,02)	36,18	52,37
Total Expenditure	97,29	92,51	41,43	189,26	420,49
Net profit before Tax	12,61	78,48	82,69	(37,68)	136,10
EPS	0.21	1.22	1.11	(0.52)	2.02

## Segment Analysis

The purpose of segments reporting is to enable the users of the Annual Report to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. For management, segment reporting is used to evaluate each segment's income, expenses, Assets, Liabilities and so on in order to assess profitability and risk elements to the Company. Given below are the Company's premium income, claim settlement, and profitability by class of business:

Figure in Million Taka

Particulars	Gross Premium		Claim Settlement (net)		Operating Profit /(loss)	
	2023	2022	2023	2022	2023	2022
Gross Premium	744.32	793.46	105.27	105.35	105.15	142.81
<b>Segment</b>						
Fire	260.19	277.06	87.12	94.16	(99.95)	(86.47)
Marine	354.34	376.12	12.74	6.07	188.11	185.11
Marine Hull	28.14	18.95	0.18	0.04	(1.59)	0.57
Motor	33.62	40.12	4.37	4.88	16.71	24.25
Miscellaneous	68.03	81.20	0.85	0.85	1.87	19.32



### Contribution to the National Exchequer

During the year under report, an amount of Taka 112.26 million was contributed to the national exchequer against Taka 122.49 million in the year 2022 which decrease of (8.34)% over the previous years.

Particulars	Year 2023	Year 2022
Corporate Income Tax	40,730,555	51,029,062
VAT (Premium)	57,445,267	57,521,349
VAT at Source	3,721,137	3,700,116
Tax Collection at Source	8,690,032	8,538,003
Excise Duty	1,679,250	1,698,950
Total	112,266,241	122,487,480

Date of Declaration	Valid till	Rating Action	CPA Rating Rating	Short Term Rating	Outlook Stable
December 22, 2023	June 10, 2024	Surveillance	AA+	ST-1	Stable
December 22, 2022	Dec. 21, 2023	Surveillance	AA+	ST-1	Stable

### Sustainable Report & Green Initiatives

As per Para 5 (iii) of corporate governance code 2018, Sustainable reporting and environmental issues have been described in **Annexure-I**

### Risk Management

To meet the requirements of 5(iii) of Corporate Governance Code, risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment etc. has been described in the Disclosure on Risk Management annexed herewith in **“Annexure- II”**

### Report on Internal Control System

Asia Insurance Limited is very keen to establish and maintain a sound and effective Internal Control System and good governance. During the year under review, the Board has reviewed the policies and procedures of various aspects of businesses in order to establish an effective internal control system, which the Board thinks, adequate and appropriate for achieving sustainable growth & protected from abusive actions, by or in the interest of, controlling shareholders acting either directly or indirectly and effective means of redress. A separate report shows under title **“Report on Internal Control System” at Annexure-III.**

### Report on going concern

Asia Insurance Limited has made an annual assessment whether there exists a material uncertainty which may be an indicative of significant doubt about Company’s ability to continue as going concern. In this regard, the Board of

### Credit Rating:

Alpha Credit Rating Limited (ACRL) has affirmed AA+ (Pronounced as double A Plus) under claim paying ability of whose outlook is stable on the financials up to 10 June, 2024 and other relevant qualitative and quantitative information up-to date of rating. The rating reflects AIL’s good solvency, good liquidity, good FDR base investment, diversified investment portfolios, experienced top management, improving IT infrastructure etc.

CPA rated in this category is adjusted to a very high claims paying ability. Protection factors are strong. Risk is modest but may vary slightly over time due to underwriting and/ or economic conditions.

Directors has made appropriate inquiries, analysis, review and estimation in the backdrop of existing and future financial and operational strength of the Company.

The Board of Directors are convinced and provide a reasonable assurance to the stakeholders as to AIL’s continuity as a going concern for the foreseeable future and accordingly the Company has been adopting the ‘going concern’ basis for preparing financial statements.

Management has reasonable ground to believe that there are no significant doubts upon the Company’s ability to continue as a going concern. A report on going concern is enclosed in the **“Annexure no: IV”**

### Report on Year-wise performance for the last five years

Year-wise performance for the last five years has been delimitate a separate statement under title **“ 5 YEARS SUMMARIZED KEY FINANCIAL DATA”** at **Annexure-V** which shows steady growth in most of the parameters that matter, The statement in this report under segment wise performance also provide that information’s regarding achievements for last five years.

### Related Party Transaction:

Related party refers to the controlling entity (either directly or commonly) or controlling individual or close group/family member of such entity or individuals who have substantial influencing power in management of a particular organization. Whereas related party transactions refer to those transactions with the entity / person as stated by way of transfer of resources, services regardless of whether a price is charged.

## DIRECTORS' REPORT

Disclosure on related party transactions with the Asia Insurance Limited has been provided in the Note No. 35 of the audited financial statements for the year ended 31<sup>st</sup> December. During the year 2023 under review 984 nos. of transactions were recorded under 'related party transaction' category of whose total transaction amount as on 31.12.2023 was Taka 62.90 million compared to Taka 81.66 million in 2022 against 1336nos. of transactions.

### Human Resource Development

Human Resource is the corner stone for accelerated and sustained development of any organization. Asia Insurance Limited recognizes the importance of skilled Human Resources for overall growth of the Company. The meritorious and talented human resources team is the key for continuous development of the organization. Superior human resources are an important source of competitive advantage. To attract talented human resources team and to create brand image, the Company has formulated HR policies and Service Rules for the employees. Asia Insurance Limited has been trying to ensure maximum output with minimum resources. So quality manpower with good academic background is being recruited in all levels of the Company.

Asia Insurance Limited is an employee welfare-oriented organization. For this reason, the management of the Company always tries to sort out all possible ways it deems beneficial to promote its employees' professional skill and efficiency. During the year 2023 under review, Asia Insurance Limited conducted 06nos. of training/Workshop/Seminar for total 07 nos. of employees attended in 06 nos. of training/workshop/Seminar in 2023.

Training conducted by Asia Insurance Limited in 2023

SL No.	Title of Training/Workshop/Seminar	No. of Participants
1	Cover policy & Addendum Endorsement API & IBS software	3
2	Bancassurance & Bancatakaful:Need of the time	2
3	"Reimaging Paradigm shift in Bangladesh Insurance Industry- Bridging the protection Gap"	2
4	'Current Trends and Challenges in the Health Insurance Sector in Bangladesh-Lessons from Others countries,"	2
5	Climate change and Agriculture Insurance: An International Perspective."	2

SL No.	Title of Training/Workshop/Seminar	No. of Participants
6	Liability- An ignored" Issue and subrogation-it's My Money"	2

In order to evaluate the level of efficiency, improve the healthy competition among the employees and to motivate the employees the Company uses 'Employees' Performance Evaluation" and "Key Performance Indicator (KPI)". Upon the evaluation, the employees are motivated and awarded with promotion, accelerated promotion and other benefits.

### CSR Activities

Insurance companies in Bangladesh are recognizing the importance of corporate governance and taking necessary steps to follow it. Particularly, the Bangladesh Securities and Exchange Commission (BSEC) has emphasized the importance of CSR (Corporate Social Responsibility) activities in its corporate governance guidelines for insurance companies. However, in practice, many companies are not able to properly carry out CSR activities.

Currently, following the directives of the Insurance Development and Regulatory Authority (IDRA), insurance companies are placing more emphasis on CSR activities. As part of this, Asia Insurance Limited has adopted various programs in accordance with their CSR policy for the current year, 2024.

In the past, Asia Insurance Limited has conducted various socially responsible activities, such as providing financial assistance to the poor and underprivileged, offering food aid after floods, supporting the infrastructure development of educational institutions, distributing sewing machines to destitute women, Blanket distribution among the people affected by cold wave, and improving the environment. They are committed to contributing to societal development through CSR activities in the future as well.

During the year 2023, Asia Insurance Incurred Tk. 668,000 as CSR in various activities. CSR expenses comes to Tk. 0.49 on net income of the company.

### Human Capital/ Human Resource Accounting

Human resource Accounting is the process of identifying and reporting the Investments made in the Human Resources of an organization that are presently not accounted for in the conventional accounting practices. Asia Insurance Limited formally does not practice Human Resources Accounting but regularly works out and looks into some important areas for mathematical and co-relational understanding on the main business factors. Given below is the considerable index to the management on which human related decisions are taken:

Description	Yr-2023	Yr-2022	Yr-2021	Yr-2020	Yr-2019
Total number of employee (nos.)	258	238	243	257	240
Total number of Branches (nos.)	22	22	22	22	22
Employee in branches (nos.)	177	161	163	169	167
Premium per employee (Million Tk.)	1,54	3,34	3,12	2,73	2,63
Operating profit per employee (Million Tk.)	0,41	0,60	0,80	0,33	0,32
Salaries & Allowances per employee (Million Tk.)	0,38	0,41	0,39	0,37	0,40
Salaries & Allowances as percentage of Operating profit	92.68%	68.33%	49.01%	112.00%	125.00%

### Employee Benefits

Asia Insurance Limited is very keen to establish and retain a very congenial working atmosphere. The Company has a competitive pay structure for its employees and always keep track on the necessity of revision on the passage of time that matches with the living standards of the employees in one hand and competitive with other Competitor Company on the other hand. Services of the employees are governed by the Employees Service Rules. Pay Scale is reviewed in timely fashion in-order to make competitive. The Company also provides other attractive benefits like mobile allowance, car allowance etc., as an extended financial support. Further, the Company disburses 2(Two) festive bonus and incentive bonus annually based on performance to keep employees motivated. With a view to ensure the sanctity of the “social contract” that the Company shares with its employees, it honored its commitment by disbursing the 2(Two) festive bonuses and performance based incentive bonus.

Asia Insurance Limited remains engaged in developing employees’ living standards. We already offer standard remuneration packages, yet at times it is not sufficient motivation for them. Thus, to fulfill their needs holistically, we are providing many extra facilities and benefits, like Provident and Gratuity fund depending upon their service periods. Employees can also avail loans from their Provident Fund at a low interest rate during any financial crisis. The employees can also avail loans from salary.

Asia Insurance Limited provide long term benefits to its employees like 10% contributory Provided Fund (both employee and employers), Gratuity (equivalent to 1 basic salary for the employees who has completed 7 years but not exceeded 10 years and equivalent to 1.50 basic salary those who has completed 10 years, Group insurance policy etc. We have settled No.18 of employees as retirement service benefit Tk.11,032,998 against provident fund No.11 employees as gratuity amounting to Tk.7,519,400.& No.12 employees as Leave encashment Tk.1,927,380 Total settled amount of Tk.20,479,778.

### Safety Measures

Asia Insurance Limited provides world class office environment to its employees has a decent work environment where employees can work with dignity Every branch of the Company is well decorated with the provisions of air condition, most modern safety office equipment and machines and well-structured office building facilitated by sewerage and electricity connection and security measures like 24/7 close circuit TV camera, well trained security guard, fire extinguishers etc. Design of Office / Branch is considered on the basis of sufficient free space, safe sewerage gas and electricity connections etc. AIL has the finest corporate Head Office at Rupayan Trade Centre (14<sup>th</sup> Floor) at 114-1145 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000 measuring areas of 21,507sft.featured by most modern equipment’s and facilities.

They have the freedom to express opinions and can participate in the decision making process that affect their lives and receive equal treatment and opportunity. The organization is committed to ensure the best practices in compliance with the labour code of the country. The Management of the company believes that the business can grow favourably if the organization enables employees through creating and maintaining a decent workplace.

Asia Insurance Limited follows non-discriminatory approach in all HR policies and practices. The salary of an employee is determined based on his/ her competency, experience and performance. During the period neither any incident regarding discrimination nor any grievance related to labour practices nor human right has been reported. The company neither employs child labour nor has any provision for forced labour. Employees have the right to resign from their employment serving proper notice period and following the internal procedures.

We practice equal employment opportunity, for competent candidates regardless of their gender, age, locality or ethnicity. While recruiting fresh graduates, Asia Insurance Limited sources from different recognized public, private universities and professional bodies with a view to creating a diverse work force.

Besides, our ratios of male and female employees have been increasing over the time. Currently 18.21% of total employees are female.

## Prevent Employment of Child Labor

The Company always prevented from appointing child employees. Total Prohibition of Child Labor and Forced/Compulsory Labor we ensure that our recruitment policies conform to prevailing labor laws that require strict compliance to the minimum age limit for providing employment. Our human resource policies completely prohibit the enforcement of child labour and young workers exposed to hazardous work, in any of our operations.

## Culture

Culture plays a vital role to create a high performance environment that supports sustainability strategy implementation. Asia Insurance Limited carefully develops, shape and impact organizational culture by:

Follow working relationship and communication pattern between superior and subordinates;

Governing rules and regulations which control employees' behaviour;

Promoting a strong employer brand through which employees identify with the company; and

Maintaining effective reward system that affects employees' loyalty;

## Performance rewards

Asia Insurance Limited also provides other attractive rewards as performance bonus annually based on achieving performance to keep employees motivated. Communicating sufficiently so that employees are well-informed and have a comprehensive understanding of what is expected of them and what they need to achieve the rewards. Setting reasonable and transparent performance standards for rewards so that employees see them as attainable. Further, our online HRM software provides employees with a dashboard where they can view their performance in real-time, thus enabling them to transparently assess their own performance and maintain realistic expectations for rewards.

Acknowledging, both small and large accomplishments so that employees feel a sense of being recognized for their progress and also know that their behaviour is consistent with Company expectations.

Rewarding team work and co-operation as team-based incentives are more effective at enhancing performance over individual incentives. Applying this has had a significant impact on co-operation, employee cohesiveness and the Company's bottom line. Providing rewards immediately after employees achieve their targets as a means to sustain employee enthusiasm and build trust with them.

Allowing each employee to select their own rewards or deciding what rewards they should receive under predefined circumstances to ensure their commitment to achieving results. Changing rewards frequently to sustain employee excitement.

## Training and Development

At Asia Insurance Limited, our training and development programs serve employees in such a way that they learn job-specific knowledge or skills to improve performance within their roles, while also focusing on employee growth as well for future job roles.

We firmly believe that a proper training and development plan for employees helps retain performers, which is beneficial to them as well as the Company. We also foster healthy competition to ensure an inspiring, challenging and innovations-driven workplace environment. The Company's employee training and development programs are now more focused than ever before. Hiring top talent entails both time and money, and hence we are selective in this process to ensure that we get only the talent that is required. The Company welcomes passionate, adaptable and goal-oriented employees and remains as a top choice for employees with such attributes and characteristics.

## Promotion, Reward and Motivation

At Asia Insurance Limited, we believe that when an organization is armed with the right information and proper operating techniques, seeking to increase employee motivation and productivity via rewards may not be daunting. We ensure that our officers and employees are trained in the fine art of motivation through following a fair system that offers financial rewards and non-monetary rewards and recognition. Some of the key practices through which we ensure a fair reward system include:

Good number of employee's involvement in the development, implementation and revision of the rewards program to encourage communication/engagement and also ensure complete acceptance from everyone associated with the process.

Ensuring that employees view rewards as worth the effort. Our manager's value employee input and select rewards accordingly so that they remain motivated to work hard to achieve predefined results.

## Merit based recruitment

'Selection on merit' comprises a process that determines which job-seeker has the skills, abilities and knowledge deemed to be most suitable for the job. Across our merit based recruitment system, applicants effectively compete for a job.

In our recruitment and selection process, the Company places importance on equal employment opportunity for all applicants, irrespective of race, religion, ethnicity, gender, age, disability or political affiliation / influence. The recruitment and selection process are consistently applied, is non-discriminatory and promotes fairness, diversity and integrity, in compliance with the State's labour laws.

## Annual Performance Appraisal (APA)

Asia Insurance Limited, Annual Performance Appraisal comprises a systematic framework in which weight age is assigned in three areas namely Operational, Individual Development and Values. Employees' KPI's or Key Performance Indicators are evaluated with respect to their assigned projects and also their overall contribution to the organization as a team player. This appraisal system helps our managers/supervisors to place the right employees in the right jobs depending on their skills, additionally allowing us to identify any skill gap and subsequent training development plan where applicable.

## OUR SUSTAINABILITY STRATEGY

By identifying, assessing, managing, and monitoring risks and opportunities associated with environmental, social, and governance (ESG) issues, sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking manner. Through sustainable insurance, CGI seeks to increase environmental, social, and economic sustainability by mitigating risk, creating novel insurance solutions, enhancing corporate performance, and contributing to long-term viability.

An important component of our sustainability strategy is being a good neighbor, which is something Asia Insurance Limited has strived towards for a long time.

As part of this pledge, we work towards strengthening our organization's ability to bounce-back from setbacks and do our share to promote long-term sustainability for the benefit of everyone involved. At CGI, key parts of our sustainability plan have never been more crucial to assist we navigate through these hard times that have affected everyone in light of the COVID-19 outbreak and the uncertainty it presents.

Our consumers are at the centre of all we do; therefore we must stay adaptable, constantly innovate, and set the standard for fair results. The company's continued optimism is based on the country's several structural long-term drivers. Our creative and value-driven culture allows us to provide our policyholders with high-quality, competitively priced insurance products that are easily available via digital platforms and tailored to their specific requirements, all while helping to mitigate environmental and social risks. Furthermore, we are dedicated to

providing ethical service to our business to business (B2B) customers.

As a company, we have always believed that we want our goods and services to help diminish people's precocity. Insurance products, together with risk management and CSR initiatives, can make communities more resilient. That's why we're always working hard to find new ways to save energy and cut down on our carbon footprint so that we can reduce the negative effects of our operations on the climate. Individually, we each bring unique abilities, experiences, and views to the table; together, as a part of a reputable organization, we provide lasting value.

The United Nations created a set of goals in 2015 called the Sustainable Development Goals (SDGs), which are intended to be achieved by the year 2030 by Bangladesh government. The SDGs serve as a guide for creating a more equitable and sustainable world. The report demonstrates how our activities and efforts are converging to make a difference towards reaching the SDGs, which we think are necessary for bringing about the transformation that would secure a sustainable future.

At CGI, through our focus on transforming our capitals we contribute to the SDGs. This has been illustrated in this section on our business model.

## Focus to the Sustainable Development Goal (SDG)

Our focus on ensuring our environment and social responsibilities extend to our clients through our policy, strengthened by Govt. Regulations and International frameworks that help communicate many of our clients.

## Overall Strategic Objectives

- Establish a long term relationship with our Clients and Business Partners built on our prudent underwriting and personalized professional service with trust.
- Respond quickly to new opportunities.
- Eliminate the discretionary between the local and foreign trade insurance.
- Maximize insurance coverage at a minimum cost but must be within legal boundary.
- Assess and managing our business risk carefully.
- Ensuring all industries, factories, buildings and professions under the umbrella of insurance.
- Maintain strong relationship with a wide variety of partners like Re-insurance, Insurance brokerage, Insurance Agent, regulatory bodies, Govt. Agency and so on.
- Risk minimizing with assuring the financial coverage.
- Drive for continuous improvement and developing our performance excellence at all levels.

## REPORT ON INFORMATION TECHNOLOGY

### Information and Communication Technology

The Asia Insurance Limited has separate IT Department through which managing IT related matters. All Departments of Head Quarters is connected through Local Area Network (LAN) supported by two servers i.e. Brand & Gateway. All the branches are well connected through Database system through Online.

### Data Security

A group of young and highly IT professionals are working to protect the data resources of the Company and hopefully as on date of report, there is no single incident recorded which may cause the threat towards the data or computer resources of the Company.

### Formation of IT Division

The information technology's role in the business sector certainly can hardly be over emphasized. It is of utmost importance, which enables businesses too effectively and successfully plan, manage, execute strategies which lead to profit. Therefore, the mission of this Division is to completely re-engineer and automate Asia Insurance Limited business processes to achieve higher productivity, lower cost, improved quality, enhanced service and efficient management.

IT mainly deals with computer applications which are now completely automated. The technology has not only made communication cheaper, but also much faster. Information Technology Division has taken pragmatic approaches to bring the technological boon and advancement into Asia Insurance Limited business process to make it more competitive and adaptive for the 21st century.

The software applications and the hardware devices are the main elements of use in information technology. So a modern and dynamic IT Division was created with two departments like Hardware and Software including a structured LAN for its smooth operation and getting the technical advantage. Operating the IT system at Asia Insurance Limited, there are three experienced and professional IT personnel.

### Software development & implementation

Software is an important integral part of information technology which relates to computer applications that enable a company to generate, store, program, and retrieve data as and when needed. Like an ERP Software, Integrated Insurance Business System (IIBS) was

developed by Confidence Software Ltd. Under which all the business process and functionalities were included. After 6 months of development by Confidence Software Ltd. it was completed and from 1st of January 2016, IIBS implemented successfully at Asia Insurance Limited. On the job training was also provided to all end users.

### Digital Storage System

- All data are storing digitally in our storage server. This is done by converting documents and other papers into digital form, a process known as digitization. In future we need not any hard copy for our official work. This system can save money, boost productivity, save space, make documentation and information sharing easier, keep personal information more secure, and help the environment.

### Next generation Firewall

- We have implemented next generation firewall to protect our application & database server and network security system that monitors and controls incoming and outgoing network traffic.

### Data connectivity

- We have implemented data connectivity to ensure secure connection between Head Quarters server and branches.

### Corporate Email Solution

- We have implemented Microsoft Mail server. We use corporate email solution (Zoho Mail).

### VAT Software

- According to the instructions of the National Board of Revenue dated 29/08/2022, the VAT Software approved by the National Board of Revenue has been installed due to the obligation to complete all VAT related work through their approved software within 2022.
- National Board of Revenue give approval to use the VAT Software for Asia Insurance Limited (Reg.No.000869162-0208) vide no.08.01.000.093.23003.2022 (part-1) 395 Date: 21.12.2022. As a result, there has been increased speed and transparency in VAT settlement.

### Key Benefits of Asia Insurance Limited IT system

- Huge saving in working time in preparing insurance documents, Money Receipt and Management information with some large informative monthly reports.



- Getting 1,070 Plus system generated MIS report which helps management to take decisions properly and timely
- Integrated Accounts where 100% Journal Voucher are passing through system as well as Final Accounts report like Balance Sheet, Profit & Loss Account, Revenue Account, General Ledger, Cash Flows and Trial Balance are generating automatically through system.
- Controlling business procurement through Integrated Insurance Business System (IIBS) Software
- Quick accessing the underwriting documents through IIBS for departmental integration with Underwriting department like Co-Insurance, Claims, Agent Commission, Re-Insurance and Accounts department
- Backup system has been established to secure the company's valuable data in a professional manner.

## On-line branches

Including Head Quarters and Local Office all the branches are already connected to the IT Division through optical fiber and data modem since 2016.

Asia Insurance Limited has highly experienced and trained professionals working on maintaining and developing the company's IT infrastructure. The IT professionals are constantly innovating and producing In-house programs to meet the needs of the company's ever increasing and diversified products and services industry. IT division has successfully implemented a Wide Area Network (WAN) to connect all of the branch offices among the country on real time basis, thereby providing seamless connectivity and prompt customer services. We have also purchased a two new high configured server for smooth running our database and application.

We are on the way to upgrade our business front end application from 9i to web logic version. Accounts and VAT module are already in web logic version.

We have also plan to introduce Artificial Intelligence (AI) based apps for providing better service to our clients.

## Plan for future expansion of present IT Infrastructure

In order to reach the optimistic level, The Company has taken initiative to implement the under mentioned work within short span of time:

- Cloud Service solution
- Corporate email solution (Microsoft 365)

## Corporate IT & Website Information

The company has a Corporate Website: [www.asiansurancebd.com](http://www.asiansurancebd.com) to publish the updated information of the company. The website of the company is always open for stakeholders, shareholders, investors and valuable clients to provide updated corporate information. The website of Asia Insurance Limited focuses on company profile such as: Company's Capital Structure, Assets and Investment, Corporate Governance, Price Sensitive Information with a view to knowing all stakeholders with all regular features of the company. Asia Insurance Limited website also focuses Board of Directors profile, Management team's profile. Visiting the website viewers can inform about the position of the Branches information. The website also focuses all the latest financial statements including financial position, income statement, cash flow statement and changes in shareholder's equity. The Annual reports of different years are also made available in the website of the company. Despite of this our clients can avail the opportunity for having digital insurance service.

## Managing Information Technology Risk

IT risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise. Risks surrounding Information Technology, such as network failure, lack of skills, hacking and viruses and poor system integration have the potential to have a negative impact on an organization. To retrieve data in any crucial moment.

Asia Insurance Limited has upgraded the server system from RAK-72 with auto Backup in 32U RAK. The Company ensures secured file sharing system, CUBE and SS Display etc. The Company is considering introducing Disaster Recovery Center (DRC) to protect the IT resources from any means of misshape.

## Management discussion and analysis

Detailed discussion and analysis by the Managing Director and CEO is appended on Titled "MANAGEMENT REPORT & ANALYSIS". A management's discussion and analysis signed by CEO presenting detailed analysis of the company's position and operation along with a brief discussion of changes in the financial statements and also in the statement to stakeholders from the Managing Director & CEO.

# DIRECTORS' REPORT

## Declaration or Certification by the CEO & the CFO to the Board

As required by the condition 5 of the Corporate Governance Code, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have jointly certified to the Board that:-

- i. They have reviewed the financial statements for the year ended on 31<sup>st</sup> December 2023 and that to the best of our knowledge and belief;
- ii. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- iii. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- iv. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

The details of discussion of deceleration by the CEO & the CFO is shown at Annexure-IX

## Disclosure on preparation and presentation of Financial Statements

The Board of Directors places before the financial statements for the year ended December 31,2023 for their adoption,The Directors of the confirm, to the best to their knowledge, that:-

The financial statements prepared as on 31.12.2023 by the Asia Insurance Limited, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;

- (a) The financial statements prepared as on 31.12.2023 by the Company, presented fairly its state of affairs, the results of its operation, cash flows and changes in equity;
- (b) The Company has been maintained proper books of accounts;
- (c) Appropriate accounting policies have been consistently applied in preparation and presentation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- (d) International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have

been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;

- (f) There is a significant negative deviation occurred on 4<sup>th</sup> Qtr. between quarterly financial performances and Annual Financial Performances of 2023;

## Operating Result & Profit

Net Profit of the Company as on 31<sup>st</sup> December 2023 stood at Tk.136.10 million against Tk. 137.13 million of the preceding year.

A summary of operating result of Asia Insurance Limited as on 31<sup>st</sup> December 2023 vis-à-vis the position as on 31<sup>st</sup> December 2022 is shown below:

(Taka in millions)

Particulars	2023	2022	Growth Rate
Profit & (Loss) from Revenue Accounts	105,15	142,81	(26.37%)
Income from Interest, dividend, Rent	68,01	75,35	(9.74%)
Others Income	2,81	2,18	(28.89%)
Total Operating Income	175,97	220,34	(20.14%)
Operating Expenses	(40,74)	(44.22)	(7.86%)
Profit before Provision	135,22	176.12	(23.22%)
Provision against Investment & Others	0,87	(38,99)	(97.77%)
Net Profit before Tax	136,10	137,13	(0.75%)
Return on Assets (ROA)	3.81%	3.97%	(4.03%)
Return on Equity (ROE)	8.45%	9.02%	(6.32%)
Return on Capital Employment	10.55%	10.84%	(2.67%)
Claim Ratio	26.45%	24.33%	8.71%
Current Ratio (Times)	1.47	1.52	(3.28%)
Price Earnings Ratio (Times)	24.65	23.40	5.34%
Debt Equity Ratio (Times)	1.13	1.07	5.60%
Gross Profit Ratio	18.23%	17.28%	5.49%
Earnings per Share	2.02	2.09	(3.34)%
Dividend Yield	22.31	22.49	(0.80)%
Net Assets Value	27.40	26.88	1.93%

- (a) During the period under report, there was no extra ordinary gain or loss has recorded;
- (b) 5 years key financial data has been summarized in "**Annexure-V**";
- (c) The Board of Directors has recommended 11% cash dividend for the year 2023 in its 159<sup>th</sup> Board meeting held on 29<sup>th</sup>April, 2024.

**Corporate Governance**

In recent times, corporate governance has been considered as most essential aspect for efficient management of a business house. It is considered to be a set of internal rules and procedures that ensure the accountability of the Directors and Top Management towards the stakeholders. Asia Insurance Limited gives much emphasis on the corporate governance in promoting a sound management. The objective of the Company is to comply with all regulatory requirements, ensure equitable treatment of all stakeholders. It confirms full and fair disclosure of financial and other material information and show respect for norms of business ethics and social responsibility.

The Board of Directors, Executive Committee, Re-Insurance & Claim Committee, Human Resource Development Committee, Investment Committee, Audit Committee, Nomination & Remuneration Committee (NRC), Risk Management Committee, Policy Holders Protection and Compliance Committee, MANCOM and other Committees of the management perform their respective tasks with accountability and transparency.

Besides, to support and enhance the practice of corporate governance, the Audit Committee of the Asia Insurance Limited was duly constituted by the Board of Directors with a view to evaluating the activities of the Company as per guidelines laid down in the Corporate Governance Code- 2018 issued by Bangladesh Securities & Exchange Commission (BSEC) vide notification no:

BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018, to strengthen the corporate governance practice in corporate. One of the most important and interesting part of the corporate governance is inclusion of at least 02 Independent Director or 1/5th Independent Director whichever is higher of the total number of Board of Directors in the listed companies who will be knowledgeable individual with integrity and is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

Asia Insurance Limited is always keen to comply with and focus highly the corporate governance issues and accordingly included 1/5th number of Independent Directors of its total number of Board of Directors.

Status of compliance with the Corporate Governance Code (CGC) [as per condition no.1(5) (xxvii) status of compliance with the conditions imposed by the commission's Notification No. BSEC/CMRRC/2006-158/207/ Admin/80, dated:03 June 2018 & Notification No BSEC/CMRRC/2009-193/66/PRD/148, dated: October 16, 2023 issued under section 2CC of the Securities and Exchange Ordinance-1969 of the Bangladesh Securities and Exchange Commission under condition no: 1(5) (xix), (xxii), (xxiii a), (xxiii b), (xxiii c) & (xxiii d):

**Compliance of condition 1(5) (xix)**

Key operating and financial data for the last five years are summarized in the preface of this report.

**Compliance of condition 1(5) (xxii)**

Board Meeting Held during the year 2023 and attended by each Director

Sl. No.	Name of the Director	Board meetings in 2023		
		No of Board Meeting held	Attendant	Fees (Tk.) (Per Meeting)
1	Yussuf Abdullah Harun, FCA	5	3	8,000.00
2	Mohammed Jahangir Alam	5	3	8,000.00
3	Abul Bashar Chowdhury	5	5	8,000.00
4	Khaleda Begum	5	2	8,000.00
5	Mohammad Mustafa Haider	5	2	8,000.00
6	Farzana Afroze	5	2	8,000.00
7	Dr.Munal Mahabub	5	2	8,000.00
8	Walid Mohd.Shamuel	5	5	8,000.00
9	Md. Rashedul Islam, FCA	5	5	8,000.00
10	Tarik Sujat	5	2	8,000.00
11	Dr. Zaidi Sattar	5	3	8,000.00
12	Syed Sajedul Karim	5	2	8,000.00
13	Mohammad Delwer Husain	5	2	8,000.00

**Compliance of condition 1(5) (xxiii a): Pattern of shareholding**

Statement in compliance with condition 1(5) (xxiii-a): Parent / Subsidiary/Associated Companies and other related parties: NIL

**Statement in compliance with Condition 1(5) (xxiii (b))**

b (i): Shareholding Position of Directors ,Chief Executive Officer ,Company Secretary ,Chief Financial Officer, Head of Internal Audit and Compliance and their Spouse and Minor Children (Name-wise-details) as on 31.12.2023

## DIRECTORS' REPORT

SL No.	Name	Position & Relation	Number of Share	Total	% of Share
1	Mr. Yussuf Abdullah Harun, FCA	Chairman	2,255,715	2,255,715	4.79%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
2	Mr. Md.Jahangir Alam	Director	1,882,793	1,882,793	4.00%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
3	Mr. Abul Bashar Chowdhury	Director	941,500	941,500	2.00%
	Mrs.	Wife			
	Miss. Rubaiya Tasnim Chowdhury	Son/daughter	943,293	943,293	2.00%
	Master	Minor Child			
4	Mrs. Khaleda Begum	Director	1,882,793	1,882,793	4.00%
	Mr. Mohammad Mustafa Haider	Son	2,715,588	2,715,588	5.77%
	Master	Minor Child			
5	Mr. Mohammad Mustafa Haider	Director	2,715,588	2,715,588	5.77%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
6	Mr. Mahbulul Alam	Sponsor Shareholder	941,500	941,500	2.00%
	Mrs.	Wife			
	Mrs Munal Mahabub	Son/daughter	941,543	941,543	2.00%
	Master	Minor Child			
7	Dr. Munal Mahabub	Director	941,543	941,543	2.00%
	Mr. Tasneem Mahmood	Husband			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
8	Mrs. Farzana Afroze	Director	1,882,793	1,882,793	4.00%
	Mr. Asifur Rahman	Husband			
	Mr./Miss	Son/daughter			
9	Mohammed Jamal Ullah	Sponsor Shareholder	941,500	941,500	2.00%
	Mrs.	Wife			
	Walid Mohd. Samuel	Son/daughter	943,793	943,793	2.01%
	Master	Minor Child			
10	Walid Mohd. Samuel	Director	943,793	943,793	2.01%
	Mrs.	Husband			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
11	Southeast Bank PLC. Represented by Mr. Rasedul Islam, FCA	Director	3,799,014	3,799,014	8.07%
	Mrs.	Wife			
	Mr./Miss	Son/daughter			
	Master	Minor Child			
12	Bay Leasing & Investment Limited. Represented by Mr. Enayet Kabir	Director	956,898	956,898	2.03%
	Mrs.	Wife			
	Mr./Miss	Son			
	Master	Daughter			
	Master	Minor Child			

SL No.	Name	Position & Relation	Number of Share	Total	% of Share
13	Syed Sajedul Karim	Independent Director	Nil	Nil	Nil
14	Mohamad Delwar Husain	Independent Director	Nil	Nil	Nil

**1(5) (xxiii (b)(ii))** Shares held by the Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and other top Executives of the Company and their spouse and minor children(Name wise Details):

SL No.	Name & Designation	Nos. of Share(s) held
1	<b>Md. Imam Shaheen</b> Managing Director & CEO Including Wife, Son, Daughter, Minor Child	Nil
2	<b>Md. Atique Ullah Majumder</b> DMD & Company Secretary Including Wife, Son, Daughter, Minor Child	Nil
3	<b>Md. Rafiqul Islam</b> DMD & Chief Financial Officer Including Wife, Son, Daughter, Minor Child	Nil
4	<b>Md. Ahsan Habib</b> Vice president Head of Internal Audit and compliance Including Wife, Son, Daughter, Minor Child	Nil

1.5 (xxiii c) Shares held by top five salaried Executive of the Company and their spouse and minor children;

SL No.	Name & Designation	Nos. of Share(s) held
1	<b>Md. Mohammad Ali</b> Deputy Managing Director In-charge Local Office, Dhaka.	
2.	<b>Md. Saiful Amin</b> Assistant Managing Director In-charge Elephant Road Br. Dhaka.	Nil
3	<b>Jahedul Haque Chowdhury</b> Executive Vice President Agrabad Branch, Ctg	Nil
4	<b>Mohammad Omor Faruque</b> Executive Vice President In-charge Dilkusha Branch, Dhaka	Nil
5	<b>Md. Kamrul Hasan</b> Executive Vice President In-charge Motijheel Branch, Dhaka Including Wife, Son, Daughter, Minor Child	Nil

1(5) (xxiii d) Shareholders holding ten percent or more voting interest in the Company: NIL

# DIRECTORS' REPORT

## RESPONSIBILITIES RELATED INFORMATION OF DIRECTORS, CHAIRMAN, CEO, CS, CFO & HIAC

To meet the requirements of Paragraph 4(d) and 7 of the corporate governance code 2018, Information related to responsibilities, role, TOR, Code of Conduct of Directors, Chairman, CEO, Company Secretary, CFO and HIAC have been described in Information related to Board, Committee, Meetings & its Directors

### Board of Directors

Asia Insurance Limited does not have its own policy on appointment of Directors rather it follows the directions and guidelines of regulatory authorities like Bangladesh Securities & Exchange Commission's (BSEC) Notification, Insurance Companies Act 2010 & IDRA Guidelines. The Company has 13 (Thirteen) directors in its Board and at least one-fifth are Independent Directors i.e. there are 2(two) independent director in the Board. At the time of appointment of new directors, the existing Board of Directors frequently assess the size and structure of the Board, evaluate the knowledge, skills, experience and perceptions that may be necessary to allow the Board to perform its functions.

The Directors are appointed by the Shareholders in the Annual General Meeting. Casual vacancy, if any, is filled up by the Board in accordance with the provisions of the Companies Act and Articles of Association of the Company. During the year under report, no casual vacancy was occurred. Total number of Directors of Asia Insurance Limited is 13 (Thirteen) including 2(two) Independent Directors as on 31.12.2023 which is within the compliance limit of the provision of the Corporate Governance Code 2018. According to Bangladesh Securities & Exchange Commission's (BSEC's) Notification Dated 22.11.2011 published in the Bangladesh Gazette on December 14, 2011 all the Directors of Asia Insurance Limited have their sufficient shareholdings i.e. minimum 2% of the total paid-up capital of the Company.

The Board members of Asia Insurance Limited are highly professional and competent. The board approves and reviews different policies and business plans with the ultimate objective to achieve the goals whereas the administrative and execution powers lie with the management team headed by the Chief Executive Officer. CEO & Managing Director of the Company is paid salaries and allowances as per approval of the Board of Directors of Asia Insurance Limited subject to approval of IDRA.

Directors are entitled and paid meeting attendance fees Taka 8,000/- per attendance including actual travelling, food and lodging expenses for attending the Board of Directors Meeting, Executive Committee Meeting, Audit Committee Meeting, Nomination and Remuneration

Committee (NRC) Meeting, Risk Management Committee Meeting, Policy Holder Protection and Compliance Committee Meeting, Investment Committee Meeting, Re-Insurance & Claims Committee Meeting, Human Resources Development Committee meeting, Business Development Committee, During the year 2023, the total expenditure related to the Board meeting was Taka 0.61 million against Taka 0.51 million in 2022.

### Board Meetings & Minutes

The Board meets to discuss and review business strategy, financial performance, compliance and governance, risk management issues etc. as well as reports on matters deliberated by the respective committees. Meetings of the Board are scheduled in advance for the Directors to plan their schedules. In addition, Special Board meetings are held when necessary, to deliberate on major transactions and ad-hoc matters that require the Board's urgent attention and decisions.

Meeting papers on the proposals and reports are delivered to the Directors prior to the meetings, giving them sufficient time to evaluate the proposals and if necessary, request additional information. This enables the Board to function and discharge their responsibilities effectively. The minimum information required for the Board to make an informed and effective decision includes background, objective, key issues, rationale, financial and non-financial impact of the proposal.

Directors who are unable to attend a meeting due to unavoidable circumstances are encouraged to provide feedback to the Chairman on matters to be deliberated for their views to be given due consideration at the meetings. Proceedings and resolutions are taken by the board are recorded as minutes of the meeting signed by the Chairman of the meeting. The decisions taken by the board are disseminated by the Company Secretary to whom such decision relates. Upon request of any member of the Board of Directors, copy of minutes of AGM is provided by the Company Secretary upon receipts of fees as per Articles of Association of the Company. As per Company Act 1994, every Company is required to hold minimum 4 (four) Board of Directors meeting in a year. During the year 2023 under report, total 05 nos. of Board meetings were held against 04 Board meetings in 2022, total no.07 committee meetings were held in 2023, where 44 nos. of policy decision were taken out of which 43 nos. of decision so far been implemented 01 no. of policy decision is under process.

All such meeting related papers, documents, memo, attendance & honorarium registers, minutes etc. are being maintained in good condition by the Board Secretariat of Asia Insurance Limited.

## Retirement of Directors

At least one third of the total number of directors shall retire every year in the Annual General Meeting (AGM) in compliance with the provision of Companies Act, 1994 and Articles of Association of the Company. However, retiring Directors are also eligible for re-election in the same AGM they retire. In the last 23<sup>rd</sup> Annual General Meeting (AGM) held on 17<sup>th</sup> July, 2023 the following directors were retired by rotation and they were also re-elected as per provision of the Articles of Association of the Company:

Sl. No.	Name of the Directors
1.	Mohammed Jahangir Alam
2.	Abul Bashar Chowdhury
3.	Mrs. Farzana Afroze

As per Section 91(2) of the Companies Act, 1994 and as per articles no: 112, 113, 114 of the

Articles of Association of Asia Insurance Limited, the following directors will retire from the office in the next 24<sup>th</sup> Annual General meeting being holding the office for the longest period.

Sl. No.	Name of the Directors
1.	Ms. Khaleda Begum
2.	Mohammad Mostafa Haider
3.	Walid Mohammed Shamuel

As per provision of Article 114 of the Articles of Association of the Company, the retiring directors as mentioned above are eligible for re-election in the same meeting they retire.

## Independent Director

Pursuant to Condition # 1.2 of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission (BSEC) vide its Notification No. BSEC/CMRRCD/2009-193/66/PRD/148 dated 16<sup>th</sup> October, 2023 and Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03<sup>rd</sup> June 2018. Asia Insurance Limited appointed at least 02 (Two) Independent Directors to the Board of Directors. There are 2 (Two) Independent Directors namely: Syed Sajedul Karim & Mohammad Delwar Husain was appointed on 11.05.2023. The Independent Directors in the Board exerts independent views on the policy decisions and ensures that all decisions are unbiased and for the best interest of the Company. As per above corporate governance code, no independent director of Asia Insurance Limited:

- Holds more than one percent shares of the total paid-up capital.
- Is not a sponsor of Asia Insurance Limited and is connected with the Company's any sponsor or

director or shareholder who holds one percent (1%) or more share of the total paid-up capital on the basis of family relationship.

- Does not have any other relationship, whether pecuniary or otherwise, with the Company;
- Is not a member, director or officer of any stock exchange.
- Is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.
- Is not a partner or an executive or was not a partner or an executive during preceding 3 (three) years of the Company's statutory audit firm.
- Is not an Independent Director more than 5 (Five) listed companies.
- Has not been convicted by a court of competent jurisdiction as defaulter in payment of any loan to a Bank or Non-Bank Financial Institute.
- Has not been convicted for a criminal offence involving moral turpitude.

## Executive Committee

This is the subordinate committee to the Board. Members of the Executive Committee are elected by the Board of Directors of the Company. As Articles of Association, the Company has formed an Executive Committee. Duties and responsibilities of the Executive Committee are determined by the Board of Directors. The Executive Committee lies with the duties and responsibilities to ensure an efficient, competent, complied and secured structural approving system of business decision.

## Audit Committee

In order to establish good corporate governance and a culture of adequate internal control system inside the Company and to evaluate the activities of the Company as per Corporate Governance Code of BSEC, the Audit Committee of the Board was duly constituted as per BSEC notification no. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3<sup>rd</sup> June 2018.

The current Audit Committee is consisted of 6 (Six) members where Chairman is Independent Director. All members of the Audit Committee are non-executive directors. All members are financially literate and one of the members of the committee is from Finance and Accounting background. The head of internal audit always has direct access to the audit committee as well, and can express his issues in front of the committee.

The Audit Committee has a term of reference and is empowered to investigate/question employees and retain external counsel as required. During the year 2023, total 4 nos. of meetings were held. Audit Committee plays the following role in the Company:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the board for approval.
- Review along with the management, the quarterly financial statements before submission to the board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters / Letter of Internal control weakness issued by the statutory auditors.

A report on the activities carried out by the Audit Committee duly signed by the Chairman of the Audit Committee under condition No. 5(6)(a)(ii) of the Corporate Governance Code for the year 2023 has been disclosed in this Annual Report in “**Annexure IX**” to meet the requirements of Paragraph 5(7) of the said Corporate Governance Code 2018.

### Nomination and Remuneration Committee

According to Paragraph 6 of the BSEC Notification No. BSEC/CMRRC/2006-158/207/ Admin/80 dated 3<sup>rd</sup> June 2018, the Board of Directors of Asia Insurance Limited has reformed a Nomination and Remuneration Committee (NRC) in its 159<sup>th</sup> meeting held on 29<sup>th</sup> April 2024. This committee has constituted with 04 members out of whom 02 members and 02 Independent Directors. Pursuant to the condition no. 6(5)(c) of Corporate Governance Code 2018, a Report of the Nomination and Remuneration Committee (NRC) is enclosed in “**Annexure X**”.

### Statutory Declaration

To meet the requirements of paragraph 5 of XXVI of Corporate Governance Code 2018, statutory declaration is given by the CEO & CFO of Asia Insurance Limited as per “**Annexure XI**”.

### Corporate Governance Check list and Certification on Corporate Governance

To meet the requirements of paragraph 5 of XXVII of Corporate Governance Code 2018, Certificate on Corporate Governance is enclosed in “**Annexure- XXVI**”.

### Appointment of Auditors

M/s. Pinaki & Company, Chartered Accountants, Dhaka was appointed as External Auditors for 3<sup>rd</sup> year of statutory audit of Asia Insurance Limited by the Shareholders in its 23<sup>rd</sup> Annual General Meeting at a fees of Taka 2,50,000/- (Taka Two Lac Fifty Thousand) only for the year 2023. M/s. Pinaki & Company, Chartered Accountants completed their 3(Three) years audit, as per Securities and Exchange Commission Rules.

The 159<sup>th</sup> Meeting of Board of Directors recommended for appointment for the year 2024 of following auditors & Firms, subject to the approval of 24<sup>th</sup> Annual General Meeting:

1. External Auditor: M/S. UHY Syful Shamsul Alam & Company, Chartered Accountants.
2. Compliance Auditors: M/S. M. Shahidul Islam & Company, Chartered Accountants.

### Information availability on website

The full text of the Annual Report 2023 including other financial reports is available in the Company's website:

[www.asiainsurancebd.com](http://www.asiainsurancebd.com)

### Investor's Complain Desk

The Company has an Investor's Complain Desk to investigate any matters related to the Investors. Any aggrieved investor may submit his complain or query to the following address:



### Company Secretary & Head of Investor Complain Desk

#### Asia Insurance Limited

Corporate Head Quarters

Rupayan Trade Centre (14<sup>th</sup> Floor)

114-115 Kazi Nazrul Islam Avenue,

Bangla Motor, Dhaka-1000

Phone : +88-02-55138581, +88 02-55138584

+88-02-41032881-82, +88-02-44031425-26

Email : [asiainsu@gmail.com](mailto:asiainsu@gmail.com)


[info@asiainsurancebd.com](mailto:info@asiainsurancebd.com)

web : [www.asiainsurancebd.com](http://www.asiainsurancebd.com)

#### Gratitude

The member of the Board of Directors of Asia Insurance Limited would like to place on record their gratitude to all the valued Shareholders, Clients, Patrons and Well-Wishers for their continued support and co-operation. We are also indebted to the Government of Bangladesh, IDRA, Bangladesh Securities & Exchange Commission (BSEC), Stock Exchanges, Commercial Banks & Financial institutions, Office of the Registrar of Joint Stock Companies & Firms and all other concerned for their continued and kind support. Finally, the Board would like to place on record their deepest appreciation for the dedicated services rendered by all the employees of the Company.

On behalf of the Board of Directors



**Yussuf Abdullah Harun, FCA**

Chairman